

Message Text

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45

ACTION EUR-12

INFO OCT-01 ISO-00 EB-07 JUSE-00 SS-15 NSC-05 L-02 FTC-01

AID-05 CEA-01 CIAE-00 COME-00 FRB-01 INR-07 NSAE-00

RSC-01 CIEP-01 SP-02 STR-01 TRSE-00 LAB-04 SIL-01

SAM-01 OMB-01 IO-10 OPIC-03 XMB-02 H-01 PA-01 PRS-01

USIA-06 /093 W

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R 171217Z JAN 75

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 8119

INFO ALL EC CAPITALS 236

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PASS DEPT. OF JUSTICE, ANTI-TRUST DIVISION AND FEDERAL
TRADE COMMISSION

E.O. 11652: N/A

TAGS: EIND, EEC

SUBJECT: EC COMMISSION FINDS GM'S BELGIAN SUBSIDIARY ABUSES A
DOMINANT POSITION

REF: EC 5828

1. THE EC COMMISSION IN LATE DECEMBER FOUND GENERAL MOTORS
CONTINENTAL, N.V. OF ANTWERP, (GM'S BELGIAN SUBSIDIARY),
IN VIOLATION OF ART. 86 OF THE ROME TREATY (ABUSE OF
DOMINANT POSITION) AND LEVIED A FINE OF 100,000 U.A.
(\$120,000) ON THE COMPANY. AS REPORTED IN REFTEL, THE
ABUSE CONSISTED OF GM MAKING EXCESSIVE CHARGES FOR THE
ISSUANCE OF CERTIFICATES OF CONFORMITY FOR OPEL CARS
(GM CARS PRODUCED IN GERMANY) IMPORTED BY INDIVIDUALS OR
DEALERS OTHER THAN OFFICIAL OPEL AGENTS (E.E. PARALLEL
IMPORTS). UNDER A 1973 BELGIAN LAW, ONLY GM IS
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AUTHORIZED TO ISSUE SUCH CERTIFICATES.

2. GM CONTINENTAL, IMMEDIATELY FOLLOWING THE COMMISSION DECISION, ISSUED A STATEMENT SETTING OUT ITS VIEW OF THE FACTS AND PROTESTED THE IMPOSITION OF ANY FINE, LET ALONE 100,000 U.A. GM WILL DECIDE IN THE NEXT TWO WEEKS WHETHER TO APPEAL THE CASE TO THE EUROPEAN COURT IN LUXEMBOURG ON THE SUBSTANTIVE DECISION AND/OR THE AMOUNT OF THE FINE. IT IS, HOWEVER, SENSITIVE TO THE PUBLIC AFFAIRS ASPECTS OF AN APPEAL.

3. A LAWYER LOOKING INTO THE CASE FOR GM TOLD US THAT EC COMMISSION OFFICIALS CONFIDED TO HIM THAT THE COMMISSION WAS GREATLY DIVIDED REGARDING THE SIZE OF THE PENALTY, THAT IT WAS BASED ON GM'S ABILITY TO PAY AND THAT IT HAD NO RELATION WHATSOEVER TO THE SERIOUSNESS OF GM'S CONDUCT OR ECONOMIC CONSEQUENCES OF THE VIOLATION. GREENWALD

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Message Attributes

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Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Margaret P. Grafeld
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